(b) The terms of reference assigned to M/s McKinsey & Co. were as follows:

(i) Validate the most critical assumptions for the short/medium term that SAIL had made for its internal long term planning.

(ii) Examine the current investment planning of SAIL and prioritise those investments that are most critical for SAIL to remain competitive, and to identify expenditure that may be deferred/dropped.

(iii) Create different scenarios based on demand and supply trends in the domestic and global markets.

(iv) Assist in identifying what improvements may be possible in each of SAIL's facilities.

(v) Make the Financial Restructuring Plan more comprehensive and build a discounted cash flow model.

(vi) Formulate recommendations for the long-term organisational restructuring of SAIL.

(vii) Provide a blue print of implementation that integrates both short and long-term actions.

(viii) Develop an integrated economic model for SAIL that may be used as a planning tool.

(c) M/s Mc Kinsey has conducted the study for the restructuring of SAIL on Probono Publico Basis.

(d) and (e) Government is not aware of T.V.S. in the Steel industry.

Revival of IISCO

1944. SHRI JIBON ROY: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the revival of IISCO, one of the premier Steel plants in public sector, is hanging fire for the last ten years and BIFR is failing to finalise any revival package, because of refusal of Government to fund any package;

(b) whether the delay in the revival of IISCO has enormously affected the functioning of the plant;

(c) what is the present status of the revival package;

(d) whether it is also a fact that the IISCO management demanded a support of Rs. 186 crores from NRF for implementing a scheme of separation; and

(e) if so, what is the response of Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY): (a) to (c) IISCO is a sick company and has been under reference to BIFR since June, 1994. A revised proposal has been received by SAIL which inter alia includes writing off of accumulated losses, use of Rupee debt funds to revive IISCO in a Joint Venture (JV) with M/s. Tyazhpromesport (TPE) of Russia. The revised proposal envisages an investment of Rs. 798 crores.

However, any scheme to be taken up for revival or modernisation of IISCO will have to be in accordance with the orders of BIFR in this regard.

(d) and (e) A sum of Rs. 86 crores has been sought from the NRF by IISCO for the year 1999-2000. An amount of Rs. 5 crores has already been provided to IISCO for implementation of VRS. Further allocation to IISCO will depend upon availability of funds.

Corruption cases in the Steel Plants

†1945. SHRI DILIP SINGH JUDEV: Will the Minister of STEEL be pleased to state:

(a) the number of officers and employees against whom the cases of corruption and financial irregularities are pending in each Steel Plant as on 30th November, 1999;

(b) since when these cases are pending; and

(c) the number of persons who have been promoted in each of the plants during the period when the cases were pending, together with those, who have been deprived of promotions, cadre-wise?

Original notice of the question was received in Hindi.